

Serving Oregon On The Move



1983 - 85
BIENNIAL
REPORT

Oregon Department of Transportation



FINANCIAL HIGHLIGHTS 1983-85 BIENNIUM

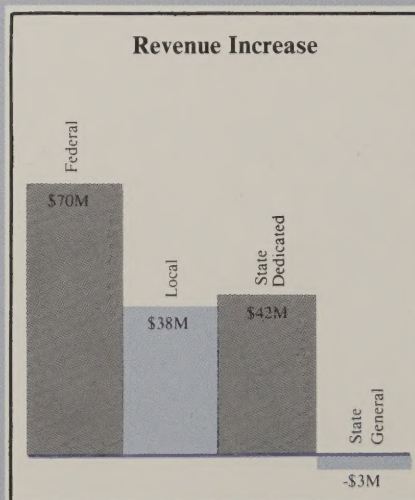
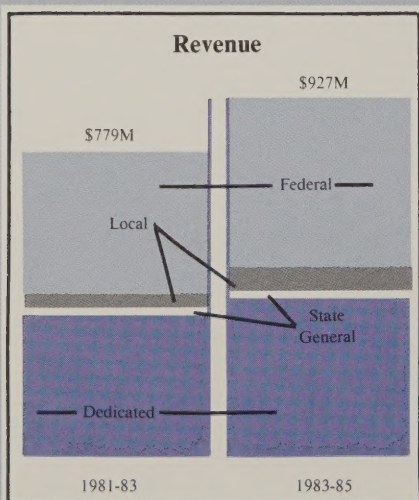
By the end of the biennium, revenue available to the department including federal, local, state dedicated and state general funds will reach \$927 million, net of transfers, reversions, and intra-agency transfers. This represents an increase of \$148 million over the 1981-83 biennium.

Almost one-half of the revenue increase during the 1983-85 biennium was the result of increased federal-aid highway funds made available by the 1982 Surface Transportation Assistance Act. Local participation also constituted a large portion of the revenue increase as Urban Mass Transit Act funds were transferred by Tri-Met to the Highway Division to pay for work on the Banfield Light Rail Line.

Of the \$42 million increase in state dedicated funds, \$29 million, or 76%, was the result of tax and fee increases passed by the 1983 Legislature.

State general funds used by the department declined during the biennium.

As a result of revenue growth and a decline in ending balances, total expenditures of the department will reach \$931 million for the biennium. The Highway Division accounts for 87% of department expenditures. Because most of the revenue increases during the biennium related to highway programs, that division also experienced the largest increase in expenditures.



Estimated Expenditures		% of
Division	Dollars	Total
Aeronautics	\$ 3M	1%
Highway	806M	87%
Motor Vehicles	56M	6%
Parks	36M	4%
Public Transit	21M	2%
Central Services	9M	1%
\$931M		

INTRODUCTION

"Serving Oregon on the Move" is the biennial report of the OREGON DEPARTMENT OF TRANSPORTATION. The department is organized into five operating divisions and a central services unit under the five-person Transportation Commission appointed by the Governor. The department currently has over 4,200 employees and a biennial budget of approximately \$1 billion.

The Department's operating divisions include:

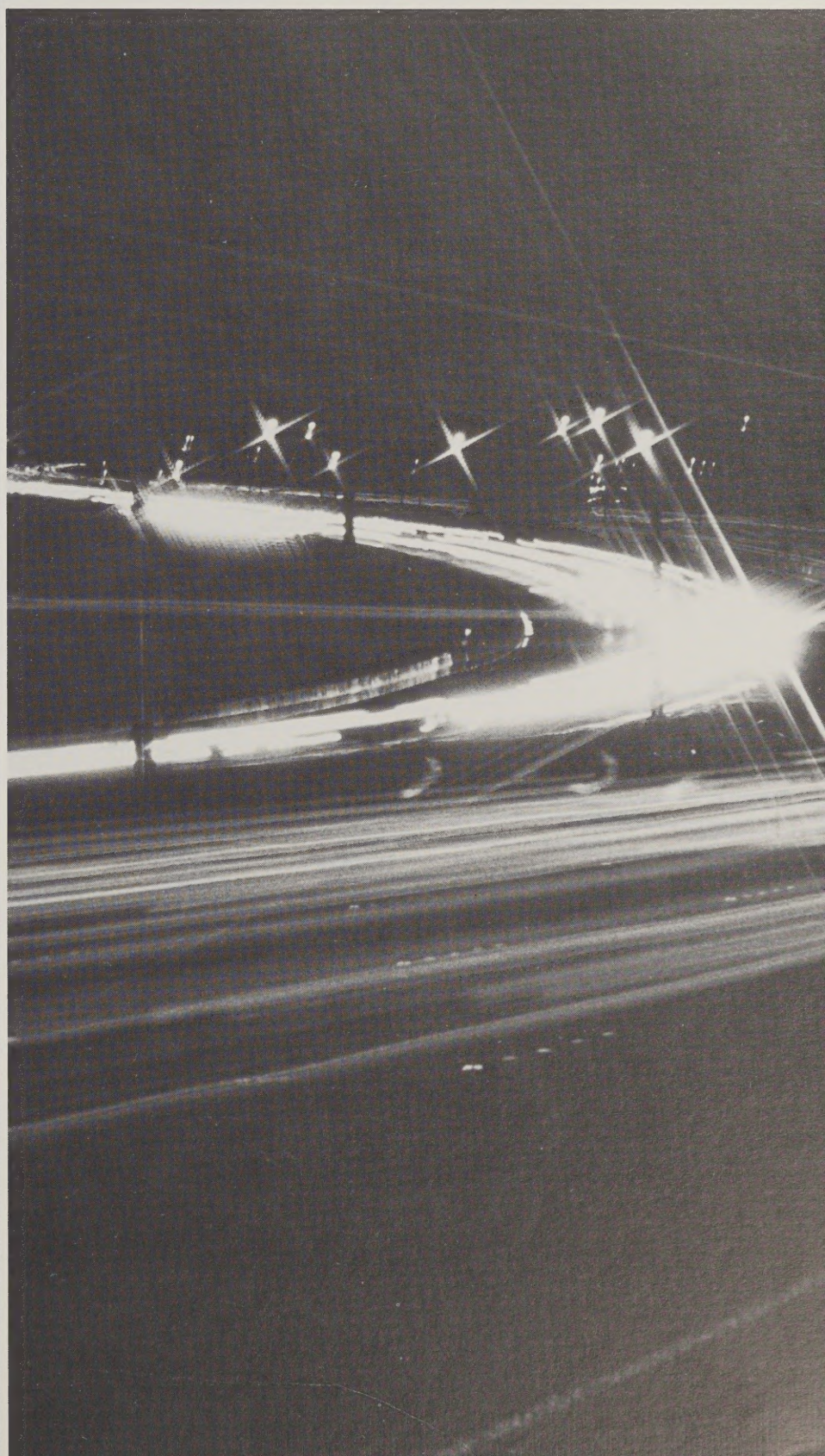
*Aeronautics
Highway
Motor Vehicles
Parks and Recreation
Public Transit*

In addition to the duties inherent in the operation of the divisions, the Department is responsible to:

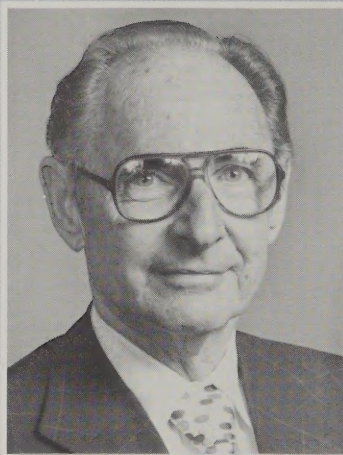
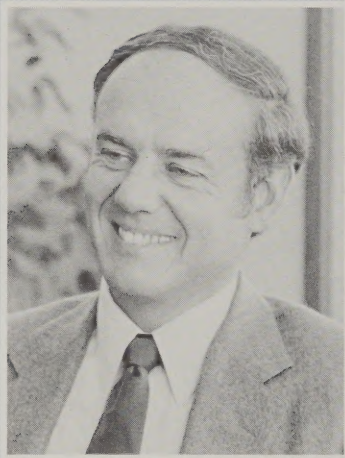
"bring together programs that meet the objectives of contributing to the growth and economy of the State by providing for the movement of persons and goods rapidly, safely and economically; by protecting people and property through effective administration of driver, motor vehicles and aviation laws; and by meeting recreational needs of Oregonians and touring visitors by providing recreational facilities."

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Peter Brix, Vice-Chairman
President of Knappton Corporation
Portland

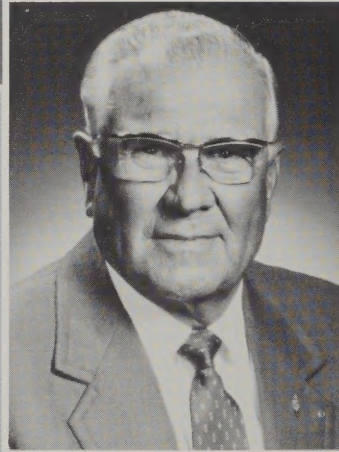


N. B. Giustina
President and General Manager,
Giustina Brothers Lumber
and Plywood Company
Eugene



Samuel T. Naito
President of Direct Imports, Inc.
Vice-President of
Norcrest China Company
Portland

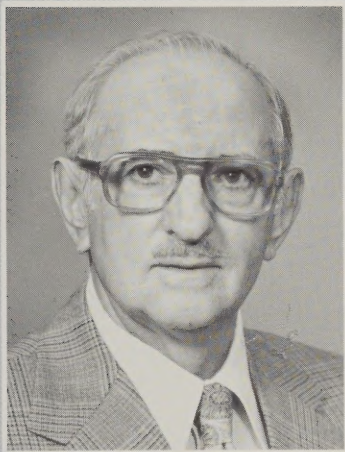
Robert F. Dwyer
Chairman of Dwyer Overseas
Timber Products Company
Portland



The Oregon Transportation Commission is composed of five members appointed by the Governor. It is the function of the Commission to establish the policies for the operation of the Department of Transportation in a manner consistent with the policies and purposes of ORS 184.610 to 184.640. The Commission has general power to coordinate and administer programs relating to aeronautics, highways, motor vehicles, public transit, parks, and such other programs related to transportation as may be assigned by law to the Department.

LETTER FROM THE COMMISSION

The 1983-85 biennium marked an important turning point for the Department of Transportation. The state's improved economy, along with increases in state and federal funding, strengthened the financial position of the department. We are pleased with the way these new resources are being applied to better meet Oregon's transportation and recreation needs.



Anthony Yturri

*Anthony Yturri, Chairman
Attorney with Yturri, Rose,
Burnham, and Ebert
Ontario*

While we are very pleased with the improved financial position of the department, there are still critical funding needs. Providing stable funding for the Parks and Recreation Division is of paramount importance. The Public Transit Division also needs stable funding to provide assistance to local transit operators. The Highway Division has embarked on an aggressive surface preservation program, but also needs funds to move ahead with major bridge repair and modernization projects. The Aeronautics Division requires funds to reinstitute financial aid to local airports.

All of the department's programs and services, regardless of funding levels, have benefited from strong management, the timely application of technology and a sustained emphasis on employee development and training. But most of all, it is people, both employees and managers, who are responsible for the success of the department. Their dedication and resourcefulness continue to be reflected in efficient, smoothly functioning programs and outstanding service to the people of Oregon.

Looking toward the future, we expect to see an increased emphasis on economic development. This emphasis will shape many of the department's programs during the 1985-87 biennium.

Fred D. Miller became the seventh Director of the Oregon Department of Transportation on January 1, 1982. Previous to that, he had been Assistant Director for Administration.

He was born in Seattle, Washington, but his family moved to Portland when he was six months old. He graduated from Wilson High School in Portland, attended Willamette University, and later received his bachelor's degree in economics from Portland State University.

He earned his Ph.D in economics from Michigan State University at the age of 25.

He taught economics at Oregon State University and served for two years as a special assistant for transportation policy in ODOT. He was Director of the Oregon Department of Energy from 1976 to 1979 before returning to ODOT in February, 1979.



DISCUSSION WITH THE DIRECTOR

"Serving Oregon on the Move" is the motto of the Department of Transportation. How does that symbolize the department's mission?

The motto suggests two different themes. One is service. All of our divisions have a strong service orientation. The other half, "On the Move," relates to our transportation functions and captures the importance of transportation to Oregonians and to the economy. Of course, we can't lose sight of the Parks Division. It is not a transportation function, but very much service orientated and relates closely to the transportation needs that we serve.

You have been director for three years now. What do you consider the most significant changes in the department during that time?

Perhaps most important, we are better financed than several years ago. To the extent that we now have more resources to carry out our mission, it makes us a more effective operation. Our people are very busy--and they're happier doing productive, useful work. We are doing well at our mission, at least partially because we have been able to get the financing.

Another factor I especially appreciate is that we are recognized by other agencies and by the public as a well-run department. I think that recognition is because of strengths within the organization. It also relates back to the first point on being productive and busy.

Could you expand on that? What are some of the organization's strengths?

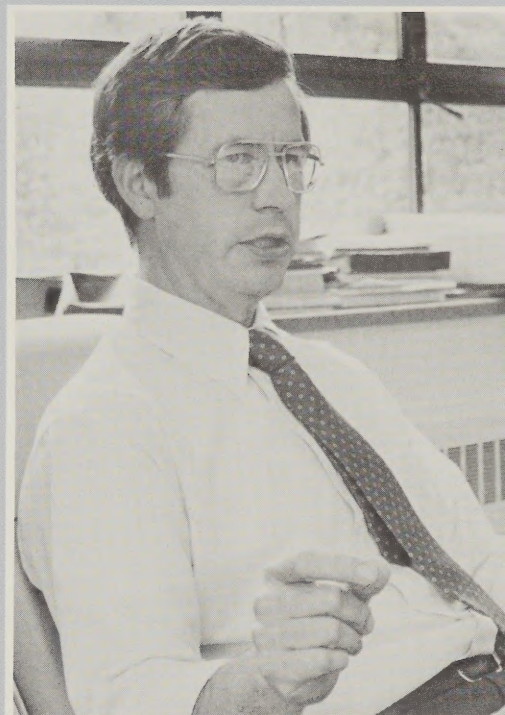
There are two things I am specifically proud of. I believe strongly in encouraging ideas to flow in an organization. There are always lots of good ideas around. They need to be captured by managers, and I think we are doing a better job of that. Employees are more willing now to surface ideas and others are willing to listen to them.

The "Office of the 80's" is a good example of that flow of ideas. Lots of employees got involved in questions relating to the application of technology. And they did a very good job--better than if we had just assigned it to someone in upper management and said "come back with a recommendation".

The other area I am proud of is our focus on the future, especially in terms of personnel. We are doing lots more to prepare and train our people, and making sure we select the right people for jobs to help us in the years to come.

The department went through some rough times several years ago--declining revenues, employee layoffs, and ballot measure defeats. Now things seem much different. What happened?

Obviously, things have improved. In the late 1970's, I really did see a more pessimistic mood. There were questions like, "Will we be able to match all federal aid?", "Are we going to get into layoffs?" But in the 1981 legislative session we did get a one-cent gas tax increase; in 1982, there was a five-cent federal gas tax increase; and in 1983, the Legislature passed the one-cent plus one-cent for Highways, some Parks and Aeronautics funding, and Motor Vehicles fee increases. For the last two or three years our revenue picture for several divisions really has been turning around. And that ultimately has implications on the health of our programs and on our employees.



With this positive momentum, are there still divisions with financial problems?

Well, our problems certainly aren't solved. We are very fortunate when we look at the Highway Fund supporting the Highway and Motor Vehicles programs. We have more difficulties, though, in other areas.

The Aeronautics Division has a dedicated aeronautics fund, but they have had financial problems for several years.

Parks has a particular problem because it needs more general funding to support its programs now that it is no longer in the Highway Fund.

Public Transit, being entirely general funded, in terms of state funding, always has to fight in order to get sufficient financing.

But, these are predictable situations when there are the kind of economic problems we have experienced in the state. They don't represent catastrophic problems. I think we are holding our own.

On another subject, the generation of highway engineers that built the interstate freeway system will be finishing their careers and retiring soon. How is that affecting the department?

You are right that we are anticipating a number of retirements--perhaps as many as 25% of our people over the next five years. That represents a tremendous loss of expertise, but it also offers opportunities for upward mobility and new faces in key jobs.

What is the department doing to prepare younger managers and engineers to assume those upper-level responsibilities?

We are doing several things to get people ready for those positions. Of course, we have emphasized training, and that will have a special payoff in developing future managers. But more than that, we are making an effort to select the right people, several levels down, to gain more experience so that they will be ready for promotional opportunities when openings occur.

I think the general emphasis that we are trying to place on management, rather than just how well one does the technical job, is an investment in the future. We must have people at the top of the organization who have a strong inclination toward management and who have had a variety of experiences.

The makeup of the department's work force is changing. Women are in non-traditional roles in all the divisions, for example, and non-engineers are advancing in the Highway Division. What's happening and what effect is it having on the department?

I start with a belief that we are a better organization with a diverse work force. When you don't have upward mobility opportunities, you don't make the best use of your resources--whether it is a secretary who could have been in a higher level technical position, or a maintenance person who didn't have an opportunity to move up in the organization. To the extent that we can have a more fluid personnel system and can get the best people in the right jobs, we are better off. That's something that we are working at, and we can still do better than we have.



How much of that change is the result of affirmative action laws?

We ought to be doing what we're doing, whether or not there are affirmative action laws. Certainly when you look at history, affirmative action legislation has added some impetus and probably added some sensitivity to how we do some things--but if affirmative action laws were wiped off the books, I think we should be doing just what we are doing. We should be emphasizing hiring and upward mobility for women and minorities.

Economic development is of major interest right now in Oregon. What effect does this emphasis have on the department?

Transportation is important to economic development. To the extent we can get out in front and develop a program that recognizes that relationship, then we will be better off. As I view the State of Oregon, in light of what's happened to the economy in the last couple of years, the economic health of the state is a major objective that most people are concerned about.

Frequently, transportation is an important factor in economic development decisions, not necessarily in the original choice of Oregon as a place to locate, but later when developers get down to specifics, it can be significant. It's not just the condition of the transportation system, but rather the distance to California, the distance to Japan, how you move goods, and how close you are to an airport or rail line.



Does that mean that there is a specific role in economic development for the Department of Transportation?

Lots of things we do relate to economic development in the state. In that context, the role of the highway system is always seen as very important. Twenty years ago people said the highway system was a land use tool--that development would flock to where the highways were. Now, we have our system in place and you have to talk about what kinds of improvements you make and how they relate to development. It turns out that we are really going to have to be very cooperative with other state agencies, with local agencies, and with others in the state to make sure the development takes place the way Oregonians would like.

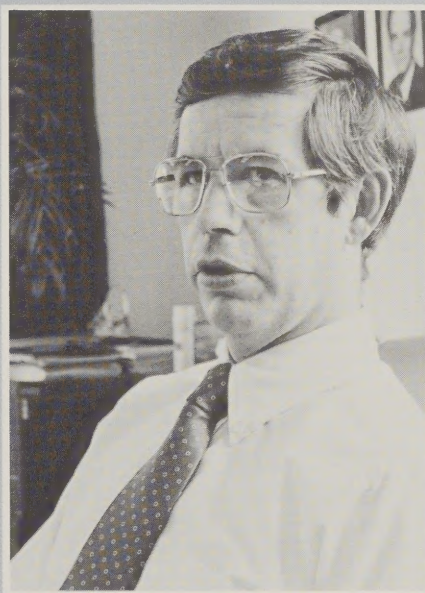
Next legislative session we will be presenting the Governor's proposed highway modernization program. An element of that is related to economic development generally in the state. This will give us a chance to consciously focus on the interaction between highways and development and maybe make somewhat different decisions than we otherwise would have.

Now that you've mentioned it, what about the upcoming legislative session? What are the department's objectives in the 1985 session?

The last legislative session and this upcoming one have not had significant and substantive program changes affecting us. When I think about new changes in Aeronautics, Highway, and Public Transit, for instance, there aren't such big policy issues before us. It usually comes down to a matter of adequate funding for the divisions.

I mentioned the Governor's modernization program for highways. There is going to be considerable interest in that, especially as it relates to economic development.

The Parks Division has a different situation because there the big issue concerns cost responsibility and parks financing. That's a very important question for the future of Oregon and is one of the department's most important legislative issues.



What is the significance of the Parks financing issue?

In the 1979-80 recession Parks was taken out of the Highway Fund. It was a difficult separation, and we are still trying to adjust to the change. The legislative adjustment has been to increase user fees because they haven't wanted to dip into the General Fund. A cost responsibility study, however, now says that parks users are over-taxed and the General Fund obligation is underfunded. The users are saying "enough." So, the real issue is the General Fund obligation for those parts of the park system that are really of general use. That's a big issue. It is key to the future of the parks system.

What other changes are in the offing for the next few years that will affect department employees or programs?

I don't perceive any organization changes or anything major along those lines. Federal legislation probably will change. There could be a new Surface Transportation Act. In the area of technology, we have to be impressed with continued changes that are happening every day. And then there are those retirements, of course, that we discussed earlier. So, I see changes on the federal level, changes that are dictated by technology and our keeping abreast of it, and then some changes in people and faces within the department.

Would you expand on some of those changes? What federal changes are expected?

The new Surface Transportation Act will continue to emphasize interstate and primary highway systems and maybe channel more revenue into these programs. There will probably be less emphasis on the local system, and that will have an impact on the state.

As for Public Transit, I would expect to see a continued interest in some larger systems. I know there is a movement in the present administration toward less operating assistance for transit, and I foresee some changes along those lines.

What are some of the specific technological developments that are affecting the department?

If you just think back to three or four years ago, in terms of word processing, micro-computers and electronic mail, and compare where we were then to where we are now, you know that there are lots of things going on. Tie into that the new accounting system, STARS. We are going to be doing administrative and management tasks differently in the next few years.

When you look to the year 2000 and focus on technology and telecommunications, it's hard to envision where those trends are going to go. For example, maybe you could sit in your own home, enter your driver's license information on a home terminal, communicate with the Motor Vehicles central office and, after passing a code, get your driver's license or registration.

There are equivalents in other divisions that would have us taking advantage of telecommunication. Parks reservations, for instance, could be easily automated, as could highway permits, trip plans for individual drivers, and so on.

Looking 15 years into the future, to the year 2000, will there be changes in vehicles and transportation systems as well?

I wouldn't be surprised to see more emphasis on transportation system management. I also wouldn't be surprised to see the dominance of an automobile-type vehicle at the turn of the century. Maybe the automobile will be much more energy efficient, and maybe it will be a different size vehicle, but there will be a continuing need for a well-preserved highway system.

We will continue to have airports and we'll have an increased emphasis on public transportation. But even looking at our major city, Portland, by the turn of the century it is anticipated that less than 10% of the total trips would be by public transportation.

So, in some sense the system is going to look similar to the present. We may do things in a different way, though, because of advances in electronics, telecommunications, and other technological innovations.

You have mentioned the impact of the legislature and the federal government in setting direction for the department; how important is citizen involvement and public opinion to the Department?

Very important. In Oregon we are lucky to have our commission form of government and a number of advisory committees. We get a great deal of citizen participation from those policy-making and advisory boards. So, from that point of view, citizen involvement is very important.

On something like our Six-Year Highway Improvement Program, it also is a well-defined productive process to involve citizens. We've got citizens involved in lots of specific issues like the port of entry in the Columbia River Gorge or some beach issues. On the issue of the Alsea Bay Bridge we can get a great deal of citizen interest.

On the other hand, it is difficult to get a great deal of citizen involvement with the general transportation program and its policies. That is where the commission plays an important role in representing Oregonians.

What's your view of the current relationship between the commission and the department?

I don't think there is another department in the state that has as productive a commission or as good a relationship between the commission and the department staff. We have been fortunate that we have had such a strong commission and that the commission has been so interested in what we are doing. So, we are lucky on two scores: one to have that kind of system, and then to have that system working so well for us.

How does that affect the department?

We really are insulated from undue political influence to a great extent--and that is good. We look at the issues and try to make good decisions. We are more a professional rather than a political department. Our funds aren't spent on pork-barrel projects. In my view, we conduct business in Oregon the way it should be done everywhere in the country.

Fred Miller

Fred D. Miller Director of the Oregon
Department of Transportation

OREGON DEPARTMENT OF TRANSPORTATION

The department remained stable through Oregon's recent recession. Good planning and timely management decisions avoided the layoffs that have occurred in many industries. Now, with the economy on the way to recovery and with some new federal and state funds available, the department can continue its leadership in transportation and recreation.

The department's leadership is exemplified by a number of notable accomplishments during the 1983-85 biennium. The Banfield project continued on schedule, showcasing the joint effort between ODOT, Tri-Met and the Metropolitan Service District. The Banfield project is an example of the positive influence of transportation on local economy. The construction is providing 665 jobs a year during the four year building phase and is estimated to have a \$300 million impact on the local economy. After passenger service begins in 1986, businesses along the rail alignment will be revitalized, gaining new customers from the daily and special trip commuters.



The Department of Transportation was formed to "bring together programs that meet the objectives of contributing to the growth and economy of the State by providing for the movement of persons and goods rapidly, safely and economically; by protecting people and property through effective administration of driver, motor vehicles and aviation laws; and by meeting recreational needs of Oregonians and touring visitors by providing recreational facilities."

Two significant aspects of current planning efforts are the increased attention being given to the role of transportation in influencing economic development and the impact of deregulation on intercity passenger travel. The Oregon State Transportation Map, listing intercity bus, rail and airline schedules and local bus and taxi routes was developed and distributed for the first time in 1984. The map benefits both the intercity bus services and economic development by attracting riders who would not have used public transportation and travelers who may not have visited the state previously.



Other accomplishments of Aeronautics, Highways, Motor Vehicles, Parks, and Public Transit are equally important in meeting the transportation and recreation needs of the state. These are described in division sections.



Larry Rulien, Assistant Director for Administration. Responsible for providing administrative support for all divisions of ODOT. This includes Personnel Services; Information Services; Policy and Program Development; Administrative Services; Civil Rights; and Training and Safety.

George Bell, Assistant Director for Intergovernmental and Public Affairs. Responsible for internal and external communications of department programs and activities; legislative liaison; Commission Services; the ODOT library; the Graphics Unit and the Photographic Lab.

Joe Christian, ODOT Fiscal Officer. Responsible for the financial management functions of budget and revenue administration; revenue forecasting; cost analysis; financial systems development; and internal audit. Also provides advice and assistance on improved fiscal controls, financial reporting, and cash management.



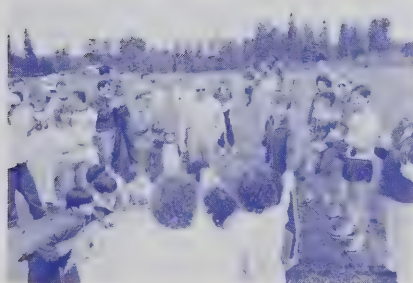
The department as a whole also takes pride in accomplishments in the areas of program coordination and management, employee development, and application of technology. These enhance the productivity and effectiveness of all divisions.

The new State Transportation Accounting and Reporting System (STARS) will go on line before the end of the biennium. An electronic mail system (E-Mail) has been implemented to speed communication between the many departmental units throughout the state.

Considerable progress has been made toward achievement of affirmative action goals. Minority representation in the department work force is 6.5% compared to 6.1% minority representation in all state agencies and 6.0% in the state's civilian work force. In the past two years the professional category increased from 7.3% to 10.5% for women and from 3.5% to 5.0% for minorities.



Dave Lutz, Revenue Forecaster, and Ryuji Torihara, Manager of Fiscal Analysis and Revenue Forecasting, compared department revenue forecasts to the latest cash flow information.



ODOT employees and families take part in the National Transportation Week two-mile fun run.

Current Position - Federal and state highway tax increases plus the department's emphasis on strong fiscal management has placed the Highway and Motor Vehicles Divisions in a solid position. Aircraft registration and some parks fees were increased, providing additional revenue for the Aeronautics and Parks Divisions. The has proposed a \$1 billion budget for the department in the 1985-87 biennium.

But, there still remain funding problems: Parks has a critical need for an increase of general funds to maintain the existing system; Aeronautics and Public Transit may need to limit assistance to local governments and agency programs for lack of sufficient state funds. These issues are discussed further in the separate division sections of this report.

Goals and Strategies - All of the goals and objectives of the Department of Transportation involve serving the transportation and recreation needs of citizens and visitors.

Among the most important strategies for addressing these needs is the ongoing effort to develop and maintain a state transportation plan. This plan provides direction for overall state involvement in transportation as well as department programs and activities.

Efficient and effective management of resources is another important strategy in achieving department goals. This emphasis on resources leads ODOT to place high priority on appropriate use of technology and employee development opportunities. Coordination of efforts and programs between divisions also provides efficient use of transportation resources.

Career Counselor Jim Pettyjohn discusses career opportunities with a prospective employee at a job opportunity fair, cosponsored by ODOT and the Urban League of Portland.

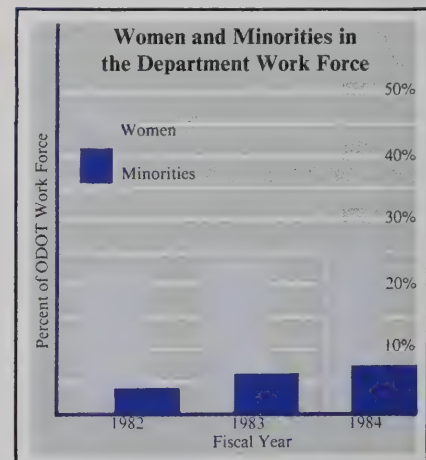


Employee Development - The department's strong emphasis on employee development has benefited both the employees and the department. Training and career development opportunities build skills and abilities of employees as well as provide incentives for staying with ODOT. Having long-term career employees in turn strengthens the department.

The department offers training programs through the Employee Development section. Special classes are put on for all divisions and other training is available through video and cassette tape programs. ODOT supports a policy of partial payment for job or career-related courses taken by any employee. All employees, in cooperation with their supervisors, develop training needs lists, identifying areas of training for their current job and for career goals.

Promising employees from each division are brought together in management development classes. These classes are taught by ODOT management and, once classes are over, students may have an opportunity to apply their new skills on special projects that often cross division lines.

A career counselor was hired as a recommendation of the 1983 Women's Task Force. Use of aptitude tests and individual counseling sessions aid employees in choosing a career path. Placement of employees in development assignments has also been effective as a training method.



The percentage of minorities and women in the Department of Transportation has increased steadily since 1982.



The Parks and Recreation Advisory Committee gives advice on policy matters. This and other advisory committees provide important citizen input to the Transportation Commission and department staff.

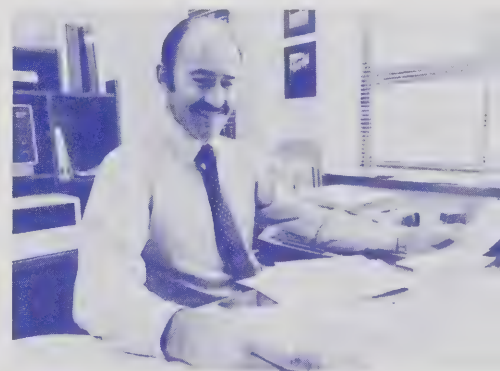
Workers repair a switch on the Willamina and Grand Ronde Railroad. Rehabilitation of the tracks was financed by a Federal Railroad Administration grant administered by the Department of Transportation.



High-speed weigh-in-motion equipment is installed on Interstate-5 near Jefferson. Weigh-in-motion experiments are improving the ability of the Highway Division to monitor truck weights while reducing the time truckers must spend at scales. Experiments with automated vehicle identification systems may eventually eliminate the need for stopping legally registered and operated trucks.

Technology - The cost-effective application of technology is stressed throughout the agency as a means to increase productivity and efficiently manage available resources.

"Office of the 80's" was a successful blend of ODOT's emphasis on employee development combined with the use of appropriate technology. A task force of clerical staff was formed to study technological advancements in the area of office automation, review administrative needs of the department, and develop and present their recommendations to management. This study resulted in the electronic transmission of files, establishment of a copy center and implementation of an agency-wide Electronic Mail system. An important benefit was the experience and skills gained by employees on the task force.



VIA Editor Monte Turner reads letters of thanks from Oregonians and visitors for the assistance and helpful attitudes shown to them by ODOT employees. Such commendations are a reflection of service given by individual employees above and beyond their jobs. ODOT employees also receive recognition through statewide programs like Employee Suggestion Awards, the Governor's Management Service Awards, and Safety Award dinners. Their contributions to the agency and the state are widely appreciated.

Finance - The activities of the Oregon Department of Transportation are financed from diverse sources. Over one-half of the department's expenditures are financed through federal funding programs, the largest of which is the Federal-Aid Highway Program. Other federal funds used by the department include Airport Improvement Program, Fatal Accident Reporting System, Land and Water Conservation Funds, Historic Preservation Act, Urban Mass Transit Act, and Local Rail Assistance Program.

The largest source of state funds is dedicated highway taxes, including highway fuel taxes, motor vehicle registration and licensing, and motor carrier fees. Other dedicated state revenues include aeronautics' funds, park user fees, and recreational vehicle fees as well as many other special fees, such as snow park and Motor Vehicle Accident Fund. These are usually dedicated to specific special activities. Parks and Public Transit Divisions use state general funds, as well.

The department receives local funds, primarily for local construction projects and capital purchases. During the 1981-83 and 1983-85 bienniums a substantial portion of the local funds shown in the department revenue summary were for construction of the Multnomah County Justice Center and the Banfield Transitway. Local funding of the Banfield Transitway consists mainly of federal funds transferred from Tri-Met to the Highway Division to pay for portions of construction.

During the 1983-85 biennium department revenue available for expenditure increased by a total of \$150 million over the previous biennium. Of this amount, \$2.1 million, or 1.4%, was the result of a decrease in ending balances; \$71 million, or 47%, was the result of increases in federal funds; \$38 million, or 25%, was the result of increases in local participation; \$42 million, or 28%, was the result of increases in state dedicated

funds (net of increased transfers out); while state general funds (net of reversions) declined by \$3.3 million, reducing revenue gains by 2.2%. \$29 million of the increase in state dedicated revenue was the result of increases in taxes and fees passed by the 1983 Legislature.

Expenditures for the 1983-85 biennium

are expected to reach \$931 million (net of intra-agency transfers and service charges) reflecting the increase in available revenue. During the 1985-87 biennium revenues and expenditures are projected to exceed \$1 billion as a result of a continued strong federal-aid program and continued growth in the state's economy.

Consolidated Summary Of Revenues and Expenditures Oregon Department of Transportation (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	66,952	69,011	64,313
Revenue			
ODOT ^{ab}	380,299	415,215	434,692
State General Funds ^a	11,070	7,812	8,613
Federal Funds	368,661	439,162	558,977
Transfers In ^a			
Other Agencies	112,268	143,301	170,244
Local Govts.	34,439	72,614	16,844
Transfers Out ^a			
Other Agencies	(2,329)	(2,656)	(4,031)
Local Govts.	(125,465)	(148,773)	(164,354)
Available for Expenditure	845,894	995,685	1,085,299
Expenditures			
Aeronautics	2,047	3,030	3,525
Highway ^a	672,703	806,300	946,352
Parks	32,552	76,263	38,057
Motor Vehicles	47,157	55,554	56,590
Public Transit	13,140	21,380	4,663
Central Services ^a	9,186	8,845	8,958
Total Expenditures	776,884	931,372	1,058,145
Ending Balance	69,011	64,313	27,154

* Totals may not add due to independent rounding.

a Does not include intra-agency transfers or service charges.

b All revenue collected by ODOT agencies.

c Net of reversions.

AERONAUTICS DIVISION

The Aeronautics Division maintains and operates state-owned airports, assists local jurisdictions in airport planning and development, conducts the state's air search and rescue program and plans for and promotes aviation generally.

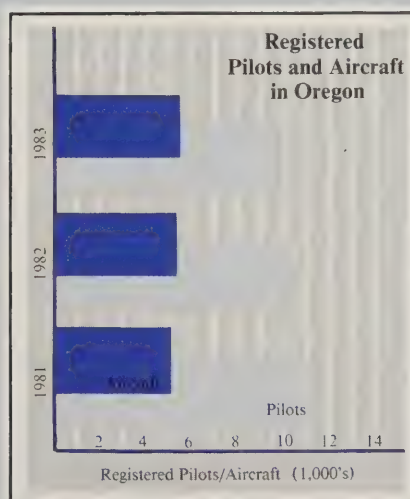
In spite of serious financial problems, the Aeronautics Division had some notable achievements during the 1983-85 biennium. Land for a new crosswind runway at the John Day State Airport was acquired from the Bureau of Land Management at no cost to the state. A new runway was constructed at the McDermitt State Airport, improving air access to southeastern Oregon. The Continuous Aviation System Planning Program, with 90% federal funds, is in its fourth year. This program provides direction in aviation systems and airport development at the local and state level and continues to enforce Oregon's national reputation in aviation planning.

Current Position - The financial position of the Aeronautics Division continues to be critical. During the 1981-83 biennium division revenue declined severely as a result of the recession. While the rate of income failed to recover during the 1983-85 biennium, shortfalls were partially offset by increases in aircraft registration fees approved by the 1983 Legislature. Fuel taxes on general aviation and jet fuel also have not regained their earlier levels. One major program, Financial Aid to Municipalities, which provides matching funds for local and federal projects at publicly-owned airports, remains completely unfunded.

Goals and Strategies - The state of Oregon has a strong interest in maintaining an active aviation system. The system assists in the safe and efficient movement of both people and goods; in the efficient delivery of routine and emergency health care; and in the promotion of airports and aviation services as a necessary element of increased economic development.

Because of the importance of air travel and transportation to the state the Aeronautics Division recognizes and promotes airports as tools of economic development. The remoteness of many of Oregon's communities and the rugged topography of the state require a cost-effective and expedient transportation system for medical, recreation and business purposes.

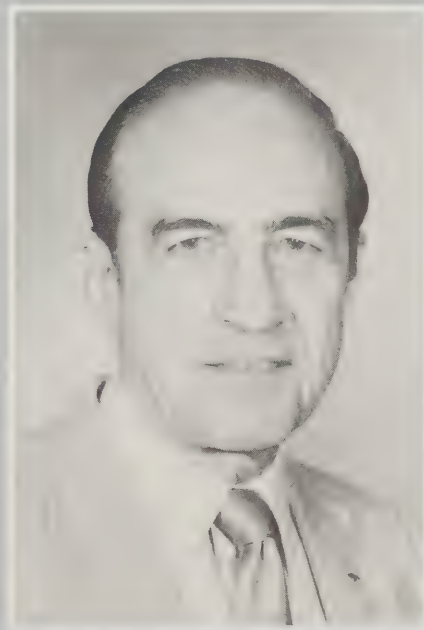
Oregon is committed to public and private operators to support their efforts to provide an efficient system of air travel and airport access. Although the department's policy is not to operate public transportation services, Aeronautics, in cooperation with the Public Utility Commissioner, assists in determining the need for air carrier or commuter service and takes appropriate actions.



Since 1979 economic conditions have had a negative impact on aviation in Oregon. There has been little growth in the number of aircraft, and the number of active pilots has declined. These factors have contributed to the strained financial condition of the State Aeronautics Account.

Protecting the airport environment and promoting aviation safety are important for achieving an efficient aviation system. As a recent example, a proposed major high-rise condominium interfered with the flight path for the Salem Airport and was seen as a safety hazard. Due to the alertness of Aeronautics Division personnel, the problem was identified and corrective action taken early enough by the city to avoid major costs and problems for the developer or the city.

Land uses around airports are monitored to reduce noise problems, electrical interference, and other conflicts to air use and safety. The Division also provides land use guidelines for airport environs including model land use and height zoning ordinances to assist local planning agencies.



Paul E. Burket, Administrator of the Aeronautics Division. Paul Burket became administrator in October, 1972. Previously he was Director of the Nebraska Department of Aeronautics. He served 22 years with the U.S. Air Force as pilot and staff officer.

Aviation safety also is promoted by inspection of airport facilities and support of the need for electronic navigational aids. Sport aviation activities, such as ultralight aircraft, ballooning, hang gliding and remote-controlled model aircraft may also present safety issues to operators of conventional aircraft. The division is developing standards for these activities at airports owned or operated by the state.

Strategies to improve the effectiveness and use of the state aviation system include continuing efforts to evaluate the level of utilization of various airport facilities. This allows the Aeronautics Division to make qualified recommendations to the Federal Aviation Administration for allocation of federal funds and to advise local airport operators concerning planning and development projects based on the area's projected aeronautical needs.

A comprehensive, federally funded, continuous planning program contributes to the efficiency of the state aeronautics system. Development and implementation of the system plan involves the participation and cooperation of federal, state, and local governments as well as all segments of the aviation community.

Employee Development - Aeronautics administers a very complex program considering the size of the agency. Informed, professional staff in every position contribute to the success of these programs.

As a result of the division's role in representing and promoting Oregon, aviation staff must participate in local, regional, and national aviation organizations. This has a direct benefit in employee development, as well. The division holds regular in-house workshops on current aviation issues. In addition to on-the-job training, staff is encouraged to attend classes in a wide range of job and career related subjects.

Summary of Revenue and Expenditures Aeronautics Division (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	170	149	113
Revenue			
Aeronautics Division ^a	592	838	1,190
Federal Funds	496	1,188	1,286
Transfers In			
DMV (AV Gas & Jet Fuel)	997	1,019	1,207
Transfers Out			
ODOT Central Services	(59)	(52)	(117)
Available for Expenditure	2,195	3,142	3,679
Expenditures			
Operations	1,446	1,895	2,283
Search and Rescue	49	88	95
F.A.M. ^b	142	0	0
Capital Imp. & Const.	410	1,046	1,148
Total Expenditures	2,047	3,030	3,525
Ending Balance	149	113	153

* Totals may not add due to independent rounding.

a License fees, charges for services, fines, rents and royalties, and other.

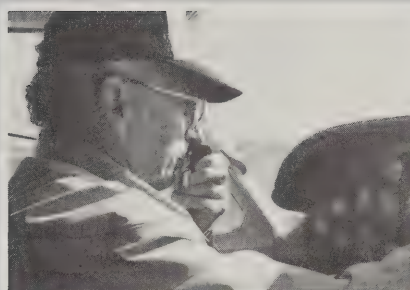
b Financial Aid to Municipalities has been un

Technology - Acoustical counters, rotated among Oregon's non-towered airports to monitor aircraft activity, are one use of technology that assists the division in its mission. Activity counts are used in making funding and capital improvement decisions.

The division has submitted a proposal to the FAA for a project to demonstrate the feasibility of non-precision instrument approaches using the Loran C navigation system. This would permit the installation of instrument approaches at many additional airports, providing improved air access and safety.

Financial - Aeronautics Division is financed from dedicated aviation taxes and federal Airport Improvement Program funds. Total expenditures for the 1983-85 biennium show an estimated 48% increase over the previous biennium. At the same time, total revenues showed an increase of 46%, most of which consisted of federal funds going into specific airport projects and system planning. Meanwhile, state revenues to the Aeronautics Account increased by only 17% and would have shown no growth at all were it not for increases in aircraft and pilot registration fees. Even with the fee increases, Aeronautics revenues showed very little increase for the current biennium over 1979-81 levels due to shortfalls in aviation gas and jet fuel tax revenues.

Although some recovery is expected during the 1985-87 biennium, without additional revenue increases the division will not be able to operate at levels equivalent to 1979-81. This will result in some activities being funded at lower levels and Financial Aid to Municipalities remaining unfunded.



Joe Holden, Assistant Administrator for Air Operations and Safety, communicates with the tower prior to take-off. The Assistant Administrator is responsible for inspection of public-use airports, management of the Air Search and Rescue Program, and operation of the state airplane which is used for transport of state officials as well as for Aeronautics Division functions.

Valerie Luhr, a part-time employee, sets up an acoustical aircraft activity counter at a non-towered airport. Monitoring aircraft activity is an important part of aviation system planning.



Al Schellenberg and Erick Anderson, Aeronautics Division maintenance workers, inspect beacon at Independence State Airport.

AERONAUTICS STATISTICS

Registered Pilots (1983)	9,712
Registered Aircraft (1983)	5,427
Public Use Airports	111
State Owned	37
Local Governments	42
Federal	7
Privately Owned	25
Public Use Heliports	4
Public Use Seaplane Bases	5

HIGHWAY DIVISION

The Highway Division is responsible for the construction, improvement, maintenance and operation of the state highway system.

Two important funding increases during the 1983-85 biennium had a positive effect on the Highway Division. Federal funds were made available through the 1982 Surface Transportation Assistance Act. State funds came from the one-cent-plus-one cent gas tax (one cent in 1984 and another in 1985) and equivalent weight mile tax increases. Because of these funds, \$300 million in projects were added to the Six-Year Highway Improvement Program, raising yearly expenditures from \$100 to \$150 million. In addition, \$20 million in state funds were added to the highway preservation effort that began in late 1983.

Besides this overall improvement, several large projects highlight the accomplishments of the division. The complex Banfield project, which includes reconstruction of segments of I-84 and building a light rail line, is on schedule for completion in 1986. Tri-Met, the Metropolitan Service District, Highway Division and Public Transit Division have all worked closely during the construction of the new system.

A similar but less visible accomplishment was the relocation of Rocky Butte Jail to the new Justice Center in downtown Portland. The move was necessitated by the building of I-205. The Highway Division, in a joint venture with Multnomah County and the City of Portland, constructed the Justice Center. Prisoners and staff moved into the new facility in November 1983.

The I-84 sand dune near The Dalles was stabilized. Adding crushed rock and native grasses to the dune stopped the sand from shifting onto the Interstate and saved an annual \$40,000 clean-up bill. A special award from the

Soil Conservation Service recognized Region 4 Engineer Dale Allen for "outstanding leadership and cooperation" in this achievement.

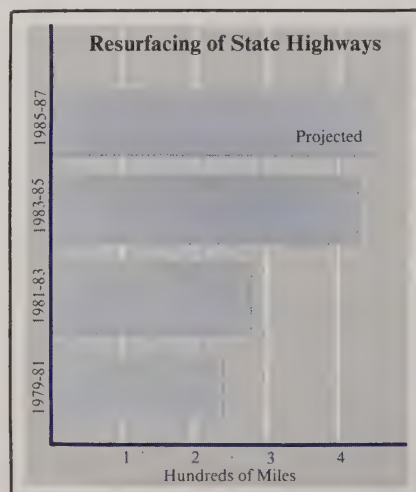
The Highway Division also completed the last link in a statewide microwave system. It serves the communication needs of various state agencies, including the Highway Division, Motor Vehicles Division, and the Department of State Police.

These separate projects have one common theme - cooperation. The Highway Division was a participant in cooperative efforts with many local jurisdictions and state agencies.



H. Scott Coulter, State Highway Engineer, Highway Division. Scott Coulter was appointed to the division's top post in June, 1976. He began his career with the division in 1948. He formerly served as Region 5 Engineer in LaGrande and as Metropolitan Engineer in Portland.

The surface preservation program was expanded in the 1983-85 biennium thanks to increased federal and state funding. The Highway Division has over 7,000 miles of road to maintain and must resurface 350 to 700 miles per year just to stay even with surface wear.



Current Position - In spite of the improved position created by federal and state highway revenue increases, there are still areas of need in the state highway program. Seventy percent of the non-interstate construction dollars in the Six-Year Highway Improvement Program are allocated to preservation. Without additional funds, the ability to carry out highway modernization and expansion will be severely limited. Pavement maintenance, while greatly improved, remained below preservation levels during 1984 due to continued budget restrictions.



Resurfacing work on the Marquam Bridge in Portland. Resurfacing busy routes requires work at slack traffic times.

The highway program itself is an important stimulus to the state's economy. In June, 1984, the state Employment Division noted a gain of 1,400 construction workers. This was largely attributed to the highway program that was running nearly 50% higher than the previous four years.

Technology - The Highway Division continues to seek ways to be more cost-effective by developing and testing new methods and materials. Research is devoted to improving the ability to predict the life of pavements and the value of alternative treatments in extending pavement life. This research is already increasing the effectiveness of the surface preservation program.

An experimental program was begun recently to test cathodic protection of bridges. Electrical current passed through the steel components of a bridge is believed to slow decay of the metal. This experiment may be the key to saving some of the historic coastal bridges as well as reducing maintenance and rehabilitation costs.

Goals and Strategies - The recently completed Oregon Highway Plan identifies two primary goals. One is to preserve a deteriorating highway system, and the other is to support economic development. Both involve the same basic strategy -- preservation first.

The most effective contribution the Highway Division can make to maintain the economic viability of the State and provide for economic growth is to preserve Oregon's existing highway system. But, in addition to preserving the existing highway system, goals of increasing capacity and stimulating economic growth are important. The continuing recovery of the economy will result in greater traffic loads on the state highway system. This increased demand may require more capacity for critically congested sections of the highway. Specific projects also may stimulate or promote economic growth, or remove bottlenecks that hinder future development.



Maintenance goes on under the best and worst conditions. Beverly Henkins, highway maintenance worker, clears a roadside ditch to relieve flooding.

Construction work on Center Street Bridge in Salem.



In addition to increasing the productivity of highway dollars spent on construction and maintenance, technological improvements are used to channel more total dollars into those programs. A new computer aided drafting system will speed the design process and reduce the number of technicians required in the design stages. Electronic mail and other office automation will speed communication and reduce required clerical support. Micro computers are appearing in all areas of the highway organization, aiding the productivity of individual employees.

Cyclists enjoy an outing on one of Oregon's many bike paths. The Oregon Bicycle Program is an example of the type of service not usually thought of in connection with the Highway Division. Each year 1% of the State Highway Fund is allocated for bikeways and footpaths.



Summary of Revenue and Expenditures Highway Division (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	44,197	48,428	60,154
Revenue			
Highway Division ^a	48,066	41,546	35,250
Federal Funds	358,601	428,148	547,943
Transfers In			
ODOT Agencies	242,015	270,844	295,398
Other Agencies ^b	112,182	143,121	168,891
Local Funds	34,340	72,201 ^c	16,393
Transfers Out			
ODOT Agencies ^d	(6,211)	(5,060)	(6,497)
Cities and Counties	(112,059)	(132,774)	(148,893)
Available for Expenditure	721,130	866,454	968,638
Expenditures			
Administration	6,195	9,318	10,796
Construction	468,100	591,572	719,153
Maintenance	164,500	169,936	190,190
Debt Service	13,856	27,659	10,412
General Program	19,618	7,000	7,400
Travel Information ^e	434	816	
Capital Construction			8,400 ^f
Total Expenditures	672,703	806,301	946,352
Ending Balance	48,428	60,154	22,306

* Totals may not add due to independent rounding.

a Taxes, license and fees, charges for services, rents, royalties, interest, sales income, and other. Does not include administrative and service charges.

b Weight-mile taxes collected by P.U.C. and other transfers from Services, Division of State Lands, Department of Revenue, and Department of Justice.

c Includes Banfield Transitway Funds.

d Parks and Central Services.

e Program to be transferred to Economic Development Department.

f New Materials Testing Lab and other building modifications.

Employee Development - The Highway Division saw many affirmative action accomplishments in 1984. In the professional category, which includes most engineering positions, female representation increased from 4.0% to 6.6% and minority representation increased from 3.2% to 4.6%. In the technician category, female representation went up from 9.8% to 11.4% and minority representation went up from 3.8% to 5.0%.

Training programs are used to increase the versatility and performance of the division and increase the promotion potential of division employees. This preserves career possibilities within the division during this time of rapid change. It also serves the recognized need to provide better opportunities for women and minority employees. During fiscal 1984, employees of the Highway Division took a total of 77,185 hours of training -- an average of two educational opportunities each.

An important objective of employee development within the division is to identify skills of retiring and recently promoted employees. Attention is given to the training of individual employees to ensure a qualified list of applicants for vacancies, and to assure employees of opportunities for advancement within the organization.

Financial - The Highway Division is financed from dedicated road user taxes and the federal highway fund. Road user taxes include gas taxes and vehicle registrations collected by the Motor Vehicles Division and motor carrier fees collected by the Public Utility Commissioner. A little over 32% of the road user taxes are transferred to cities and counties to assist local road and street programs. The division also collects \$25 to \$60 million per biennium in special revenue from rentals, sales, and interest income. It has bonding authority and receives local cooperative funds for use in local federal-aid projects.

During the 1983-85 biennium total division expenditures, after intra-agency service charges, increased by 20%, or \$314 million. Over 50% of this increase was the result of increased federal-aid. Approximately one-fourth of the increase resulted from increases in state dedicated funds, after transfers to cities and counties; and another one-fourth from increases in local participation.

During the 1985-87 biennium federal funding will continue to increase while growth in state revenue moderates. Local participation will decline significantly with the completion of the Banfield project.

HIGHWAY STATISTICS

Miles of Travel on State Highways (1983)	12,172,975,217
Road and Street Mileage	
All Public Roads	123,393
State Highway System	7,562
Interstate System	711

Pavement recycling on the Sunset Highway near Manning. Recycling is often a cost-effective method of resurfacing existing roads.



MOTOR VEHICLES DIVISION

The Motor Vehicles Division has four major missions: (1) Protect ownership rights in motor vehicles and identify vehicles for highway use. (2) Reduce traffic accidents and convictions. (3) Reduce public loss from uninsured motor vehicle accidents. (4) Collect money for dedicated funds.

The 1983-85 biennium was full and productive for the Motor Vehicles Division (DMV). The Vehicle Services Branch implemented several pieces of legislation to improve the vehicle registration and titling process. Senate Bill 710, the tough new drunk driving law, was implemented by the DMV Hearings Branch. DMV developed and implemented a campaign to publicize the new child restraint law.

All 60 field offices were modified in preparation for installation of the Driver License Issuance System (DLIS). This system uses individual computer terminals and allows all DMV staff access to the records stored in the main computer in Salem. Changes to these records will be entered while the customer is in the office and the records will be updated by the next morning. Besides speeding up the process, DLIS eliminates the need for data entry in Salem and automates daily reports and inventory tracking. It also allows the statewide system of DMV offices to use the department's new Electronic Mail system.

Current Position - The division is handling increases in total transactions with a self-imposed decrease of staff. Automation and a commitment to constant productivity improvement are basic division strategies.

Another strong DMV commitment is to keep its service programs self-supporting. Revenues and costs are reviewed each year and, when necessary, legislative or administrative fee adjustments are made. In 1983, driver license fees were raised by the legislature to cover the administrative costs to produce a drivers license.

Goals and Strategies - The Motor Vehicles Division is also committed to service. DMV's motto "We Serve" is the impetus behind its operations. Daily objectives of DMV are to maintain and improve service and productivity levels.

The Vehicles Services Branch has a service level goal of 21-day document processing time. One important goal of the Driver Services Branch is to update driver records within 12 days of receipt. Field Services' goal is to maintain customer waiting time of less than 15 minutes.

Oregon is in the national lead with the development of the Certification of Driver Examiners (CODE) program. This program will enhance the professional quality of the field driver examiners.

The impact on the public is considered in all program changes. DMV address change cards are now available at major retail outlets, including K-Mart, Payless, Meier and Frank, and United Grocers as a convenience to the public.

A program agreed upon by DMV and the Department of Commerce will soon allow DMV field office staff to administer tests for landscape contractors and television and radio repairmen. This agreement was developed as a convenience to applicants.

Productivity increases require constant innovation. The Driver Services Branch reduced costs by conducting habitual offender hearings administratively, eliminating the need for conducting them in the Circuit Court. This speeds up the process and allows uniform application of the habitual offender law.



Occupational and Probationary License units were combined into a Restricted License Unit. This reduced staff and processing time. New computer programs allow easier access to restricted license information and speed up the inquiry process. Both of these steps resulted in greatly improved customer service.

With its extensive program of work measurement, DMV can accurately monitor productivity levels. All three operations branches (Vehicles, Drivers and Field Services Branches) have established productivity goals, using the work measurement reports.

DMV service and productivity goals are supported by its planning efforts. Management and staff are involved in a two-year budget cycle, a three-year systems development plan, and a long-range planning forecast.



Heidi Cade shows model compliance with new Child Restraint Law. Heidi's mother, Laurie, works as an administrative secretary at DMV.

Technology - DMV's role in maintaining millions of vehicle and driver records makes it a natural for application of the latest computer technology. But new electronic technology is more than a computer filing system. It is a way to increase the productivity and accuracy of almost every DMV function. Automation is gradually being added to general clerical functions and smaller document processing systems.

The Hearings Branch has automated its case file management system through a series of terminals attached to the ODOT main computer. This allows tracking of hearings cases quickly and accurately.

The use of video equipment allows training tapes to be sent to field employees who cannot get away from their offices for training.

License renewal by mail for Oregon drivers has saved time for customers and helped to relieve crowded conditions in field offices.

Employee Development- Employee development is a key element of DMV's strategy of service and productivity. Training and development increase the skills and knowledge of employees, enabling them to better respond to customer needs. It also guarantees DMV a pool of qualified, enthusiastic applicants for positions.

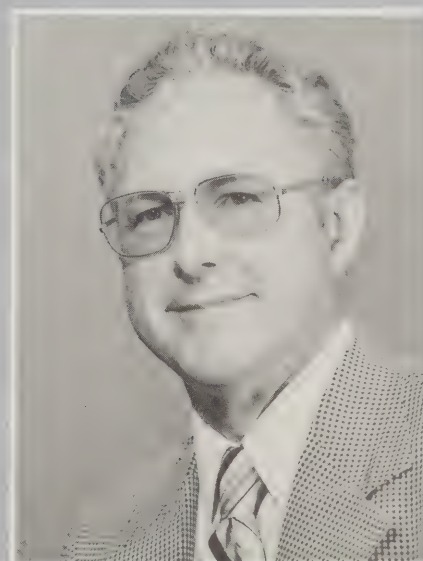
DMV has regular training and development opportunities for employees. Every five years all motor vehicle representatives come to Salem for a three-day refresher class.

Every two years all office managers attend a Biennial Conference, a week-long work session. This conference gives the office managers an opportunity to share problems, concerns and suggestions with their counterparts.

Annual dinner meetings are held for each unit within the three operations branches. They provide opportunities for DMV employees to have open discussions with management on subjects of concern.

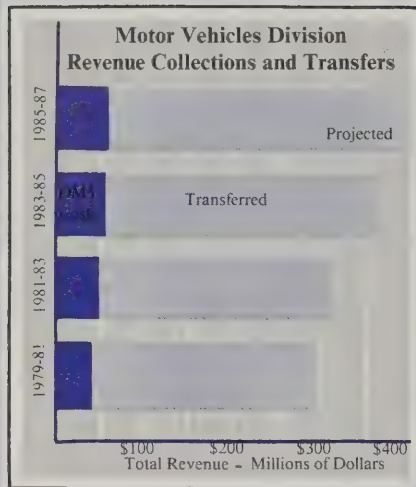
Participation in quality circles or on special task forces provides additional developmental opportunities for employees.

David P. Moomaw, Administrator of Motor Vehicles. Dave Moomaw became Administrator of the Motor Vehicles Division in September, 1979. He was manager of the General Service Branch of ODOT from 1975-1979. Prior to that he was employed as Corporate Director of Purchasing at Evans Products.



DMV STATISTICS

Daily:	
Passenger Vehicles Licensed	4,837
New Driver Licenses Issued	358
Weekly:	
Transcripts and Records Provided	48,643
Inquiries Answered	10,000
Yearly:	
Accident Reports Received and Verified	86,960
Registration and Renewals Issued	1,282,380
Sno-park Permits Sold	65,279



Over 80% of all revenue collected by DMV is transferred to other agencies. During the 1983-85 biennium transfers increased by \$37 million while DMV costs rose by only \$8 million.



South Salem DMV employee, Sharon Paulson, assists a customer. Field Services Branch has a strong service ethic. Offices in Beaverton, Corvallis and Ontario were relocated to provide better public access and improved service through new office designs.



Sam Conratt, Assistant Administrator Fuel Taxes, inspects Chevron storage tanks. Fuel taxes bring in over \$100 million per year.



Dee Holt a PRIDE (Professional Results in Daily Endeavors) Awards winner pulls into her reserved parking place. She chose this award out of several offered to award winners at a banquet honoring the employees. The winners are selected by meeting objective job-related criteria. Through these programs the Division recognizes employees for their performance.

Driver examiners, Janet Schmidt of Grants Pass DMV and Pam Ezell of Milton-Free-water DMV, discuss drive testing with Tish Dudash, DMV Training Officer. This is one of many ODOT employees on rotational assignments.



Financial - Approximately 85% of all revenue collected by DMV is transferred to other ODOT divisions, other state agencies, or local governments. The state gas tax is DMV's largest revenue source. Highway gas and use fuel taxes, vehicle registration fees, and other special dedicated revenue are transferred, net of collection cost, to the Highway Division. Recreational vehicle fees are transferred to the Parks Division and counties; while aviation gas and jet fuel taxes are transferred to the Aeronautics Division.

Funds are also transferred out of DMV to the Student Driver Training fund at the Department of Education and the Traffic Safety Commission. DMV collects Washington and Multnomah County gas taxes for transfer to those counties.

Other revenue collected in the form of license and service fees is intended to cover collection costs. These fees are adjusted periodically to avoid subsidizing collection costs with revenue intended for transfer to other agencies.

Summary of Revenue and Expenditures Motor Vehicles Division (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	1,478	1,203	1,832
Revenue			
D.M.V. ^a	315,530	360,780	387,589
Federal Funds	36	203	48
Transfers In ^b	12	175	1,348
Transfers Out			
ODOT Agencies ^c	(252,961)	(287,391)	(312,941)
Other Agencies ^d	(2,329)	(2,525)	(4,031)
Wash. & Mult. Co's. ^e	(13,406)	(15,060)	(14,270)
Available for Expenditure	48,359	57,386	59,576
Expenditures			
Administration	15,116	17,656	19,517
Hearings	923	3,316	3,039
Licensing	27,514	30,910	31,460
MVA ^f	3,604	3,671	2,573
Total Expenditures	47,156	55,554	56,590
Ending Balance	1,203	1,832	2,986

* Totals may not add due to independent rounding

a Includes motor vehicle and aviation fuel taxes, licenses and fees, interest income, sales income, and other.

b 1981-83 transfer is from General Services, 1985-87 transfers are from Justice Department and Revenue Department.

c Highway Division, fuel taxes, vehicle registration and other fees; Aeronautics Division, aviation fuel taxes; Parks and Recreation Division, recreation vehicle fees, and Central Services assessment.

d Department of Education, Student Driver Training Fund and Mobile Safety Education; Traffic Safety Commission; and Marine Board (recommended 1985-87).

e Fuel tax revenues collected by DMV.

PARKS AND RECREATION DIVISION

The mission of the State Parks and Recreation Division is to protect and enhance for public enjoyment and education, now and in the future, sites and areas of outstanding natural, historical, and recreational value.

The Parks and Recreation Division has been called the custodian of the jewel that is Oregon. Oregon's outstanding Parks system is part of the magic that draws visitors to the state. A recent economic impact study indicates visitors to state parks spend more than \$130 million per year within 25 miles of parks where they were surveyed.

During the 1983-85 biennium, the state parks system shrank slightly when two parks were turned over to other jurisdictions. But what remains is at the high standard expected by Oregonians and appreciated by visitors.

In contrast to the parks system as a whole, Silver Falls, the state's largest state park at 8,500 acres, has grown again. Former Salem resident, Leo Cieslak, left an estate valued at \$775,000 to enhance Silver Falls. The estate also helps in matching federal money to assist in acquiring land near other state parks areas.

Another accomplishment during the 1983-85 biennium was the acquisition of 3,300 acres of land along the Lower Deschutes for public ownership. This assures continued access to this scenic river. The effort, spearheaded by the Governor, used the negotiating skills of Parks staff.

Current Position - Parks financial position has deteriorated since 1980, when it was prohibited, by constitutional amendment, from using state highway funds.

In order to maintain Oregon's safe, clean, high quality parks, the division has limited park use, eliminated special programs, and returned some parks to local and federal jurisdictions. Memaloose Park, in the Columbia Gorge, was turned over to Wasco County. Susan Creek Park near Medford was returned to the Bureau of Land Management.

The severe cutback in federal-aid, especially the Land and Water Conservation Fund, has eliminated funds used mainly for capital projects. The Historic Preservation Fund continues to give only minor support to Parks projects.

This series of program reductions and threatened park closures has forced a closer look at future funding sources. During the 1983-85 biennium state general funds supported 19% of the Parks budget. The recently completed State Parks Cost Responsibility Study recommended the level of general fund support should be 50%. Because the parks benefit both users and the general public, the study recommends that the costs be split more evenly.



Goals and Strategies - The emphasis for Parks has always been, and continues to be, to serve the recreation needs of Oregonians and visitors. These needs include everything from a picnic lunch or enjoyment of breathtaking vistas, to a two-week stay in one of 5,561 state park campsites.

In order to set operation levels and plan for the future, Parks uses several methods. Surveys are conducted periodically to profile visitor interests and characteristics. The division's Six-Year System Plan emphasizes public awareness and participation in Parks' programs. Identifying and evaluating natural, historic, and recreational resources throughout the state and determining recreational needs in various areas are also part of the planning process.

PARKS AND RECREATION DIVISION STATISTICS

Annual Park Visitors	32 million
Parks, Recreation Areas, Waysides and Preserves	225
Total Acres	88,493
Campsites	5,561
State Scenic Waterway System	500 miles
State Recreational Trail System	2,600 miles



Most of the Parks special programs were created to protect areas of natural, historic, or recreational value--whether to preserve and protect unique natural resources for future generations, or to record and note those of historical significance from the past. In this sense, the division serves future generations as well as present.

Four citizen committees contribute to the planning and program efforts: The Parks and Recreation Advisory Committee, the Recreation Trails Advisory Committee, the Scenic Waterways Advisory Committee, and the Historic Preservation Advisory Committee provide general input and specific project recommendations.

Solar showers. Saving money and using technology to benefit the public and the state.

Recent studies in Parks developed preliminary management programs for the scenic waterway areas of the Middle Fork of the Willamette River and its headwaters, Waldo Lake, and the Clackamas River. Studies of the Lower Willowa and Grand Ronde Rivers have noted their qualifications for inclusion in the Scenic Waterways Program.

Technology - Parks' solar showers were recently judged in a national contest for energy innovations. The use of solar energy for heating water for showers started in 1977, with Tumalo State Park being the first in the nation to have them. Five other state parks now use solar energy in their shower facilities, with more planned. The savings average 60% less energy per building.

Like most agencies, Parks has automated many of its office functions. Much of the survey of park visitors has recently been added to the computer to make access and evaluation of results easier.

Employee Development - Parks' employees are highly rated, both for their skills and their enthusiasm. In the words of one park official, "It would be difficult to cite specific individuals for praise since compliments are received on a regular basis for the work of park employees throughout the state."

The Parks Management Development Assessment Center has received national recognition. Its innovative approach in determining whether field personnel are ready for park management assignments has served both the organization and the personnel.

Intensive training sessions are conducted for employees who issue citations for violations of park rules and regulations.



Katsuko Pollack, Parks worker, tidies up a campsite. Parks employees are dedicated to maintaining the high standards of Oregon parks.



David G. Talbot, Administrator of State Parks and Recreation Division. David Talbot was named to the State Parks Superintendent position in 1964. Previously he was State Recreation Director for two years and Director of Parks and Recreation for Grants Pass for four years. He has served as president of the National Association of State Parks Directors and was the first graduate of the Parks and Recreation Administration Program at the University of Oregon.

Financial - During the 1983-85 biennium, 66% of Parks' expenditures were financed from dedicated revenue sources. These sources include park user fees and other revenue collected by the Parks Division as well as recreational vehicle fees collected by the Motor Vehicles Division. State general funds accounted for another 19% of revenue, while federal funds accounted for the remaining 15%.

The 1983 Legislature raised recreational vehicle fees by \$16 per vehicle with \$10 going to the Parks Division and the other \$6 going to county park and recreation programs. This was the only significant increase in Parks' revenue during the biennium.

Total revenue increases were not sufficient to keep up with costs. Recreational and cultural programs were reduced in order to continue an adequate maintenance and operation program for existing state parks.

During the 1985-87 biennium, dedicated revenue sources are expected to increase very little. Unless general funds are increased as recommended by the Cost Responsibility Study, or additional sources are found, the result will be further reductions in recreational and cultural programs in order to continue the maintenance and operation program of state parks at existing levels.



Funding for State Parks has not increased since 1970. Small increases in park user fees and recreational vehicle fees have been more than offset by declines in state general fund revenue.

Summary of Revenue and Expenditures Parks and Recreation Division (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	1,786	3,169	2,009
Revenue			
Parks ^a	11,924	10,432	10,663
General Funds ^b	6,195	6,942	7,686
Federal Funds	5,819	5,526	5,331
Transfers In			
ODOT Agencies ^c	9,950	13,270	13,759
Other Agencies ^d	47	5	5
Transfers Out			
Other Agencies ^e		(131)	
Counties ^f		(939)	(1,191)
Available for Expenditure ^g	35,721	38,273	38,864
Expenditures			
Admin. & Tech.			
Support	3,701	4,309	4,750
Rec. & Cult. Programs ^h	6,387	5,456	5,238
M. & O.	22,238	26,198	27,136
Capital Const.	225	300	934
Total Expenditures	32,552	36,263	38,057
Ending Balance	3,169	2,009	806

* Totals may not add due to independent rounding.

a Includes park user fees, Deschutes River boat passes, charges for services, fines, and forfeitures, rents and royalties, interest, sales, and other.

b Net of reversions.

c DMV recreational vehicles fees and Highway Division fees for maintenance of rest areas.

d General Services and Division of State Lands.

e General Services and State Fair.

f Recreation Vehicle Fees, program began in 1983.

g Net of general fund reversions.

h Local government grants in Aid, Willamette River Greenway, Scenic Waterways, Recreational Trails, and Historic Preservation.

PUBLIC TRANSIT DIVISION

The Public Transit Division (PTD) serves as the statewide coordinating, financing, planning, research and development agency for public transportation in this state to ensure the most orderly, efficient, and economical development of public transit systems.

During the 1983-85 biennium, the division focused its efforts on providing technical and financial assistance to numerous public and private operators of passenger transportation services throughout the state. As part of its technical assistance efforts, the division prepared long-range transit plans, provided technical advice on marketing, published a technical bulletin, and worked with transit systems to improve operating efficiency and effectiveness.

State and federal funding provided financial support to transit systems including operating assistance grants to small city and rural area systems, and assistance in the purchase of buses and other equipment for transit operators. Under the Capital Grant Program for Elderly and Handicapped Transportation, the division helped purchase buses and vans specially equipped to meet the special transportation needs of the elderly and handicapped.

In 1984, the division took on responsibility for the Oregon Rideshare Program. Division staff developed a program promoting ridesharing through distribution of information about the social and economic benefits of carpooling, vanpooling, and bus riding. In addition to developing promotional information, the division provided technical and planning services to organizations wishing to begin ridesharing programs or to improve existing programs.

Dennis H. Moore, Administrator of the Public Transit Division. In 1970, Dennis Moore became administrator of the Mass Transit Division (renamed Public Transit Division in 1977). Moore was formerly executive manager of the California Jaycees and assistant to the city manager of Palo Alto, California.



State and local government officials tour a new Tri-Met light rail car. The car will be used on the Banfield line.

The division also managed the state-funded Banfield Light Rail Construction Fund. This \$16.1 million fund, appropriated by the 1979 Legislature, aids in the construction of light rail transit between Portland and Gresham along the Banfield Freeway. The division serves as the fiscal agent for the fund, while Tri-Met and the Highway Division are involved in the actual construction of the project.

Current Position - Like most general funded state agencies, the Public Transit Division's state-funded programs declined during the 1983-85 biennium to meet revenue shortfalls. State participation in equipment purchases for urban systems and small city and rural area systems were eliminated. The Banfield Light Rail Construction Project was not affected, however, since it was funded by a one-time state appropriation. Federal funding levels have been increasing gradually. The division has made maximum use of available federal dollars to ease the loss of state funds.

PUBLIC TRANSIT DIVISION STATISTICS

Public Transportation Systems

Intercity Bus Companies	14
Local Transit Systems	23
Elderly and Handicapped Systems	38

Ridership (1983)

Urban Area Buses	55,541,287
Small City and Rural Area Buses	1,076,259
Elderly and Handicapped System Buses	298,186
TOTAL RIDERSHIP	56,915,732

Goals and Strategies - The Public Transit Division facilitates the flow of federal and state assistance to local transit operators and provides technical assistance to enhance locally-operated services. The division also promotes public transportation by providing a source of information to local operators, other state agencies and the general public.

The Public Transit Division's goals focus on the promotion, development and improvement of public transit in Oregon. In promoting transit, the division serves as an information source on transit and as an advisor on transit policy and legislation. The agency also strives to provide financial, planning,

and technical assistance needed by transit systems to develop, maintain, and improve transit in an environment of increasing service demands and diminishing resources. Emphasis is often given to special transportation needs of the elderly, handicapped, and rural residents.

The financial, planning and technical assistance programs that the division administers all work toward meeting the agency's goals. The division's programs are carried to the local level through field representatives. Each member of PTD's professional staff serves as a technical contact and information source for transit systems located within an assigned area of the state.

Public Transit will see an expanding role in special needs transportation if the growth of the elderly population continues as expected. In addition, the

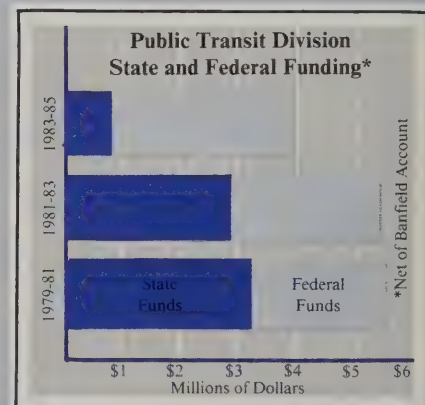
Seniors arrive on Central Oregon Council of Aging bus in Bend. Buses like these are furnished through the division's Capital Grant Program for Elderly and Handicapped Transportation.



division will place new emphasis in the coming years on the role of public transit in encouraging and supporting economic development in Oregon.

Technology - This past year PTD simplified its statistical and financial reporting procedures. By using a computer to store this information, updates are easier and less time-consuming. The division will purchase a microcomputer system to fully automate its reports. This automation will allow the agency to publish timely feedback reports for transit systems. Such reports are a key to improving transit system management. In addition, the microcomputer's word processing capacity will speed production of grant-related correspondence and reports. With the microcomputer, the division will be able to make use of the department's E-Mail system as well.

State funding of Public Transit Division activities has declined; federal funds have increased, but not enough to offset the loss of state money.



Employee Development - Public Transit emphasizes development of technical and managerial capabilities in its staff. Four out of eight professional staff members have attended the Department of Transportation's Management Development program. Employees regularly participate in transit conferences and workshops to build technical expertise.



Cynthia Lewis, Oregon Rideshare Program Manager, works with Gene Tispword of ODOT Graphics, on posters for promotion of the program.

Financial - Revenues and expenditures of the Public Transit Division reflect the presence of the Banfield Light Rail Construction Fund. Without the Banfield, the division's 1983-85 budget is \$4.3 million. This level is below the 1981-83 budget of \$4.7 million.

With the completion of the Banfield project, Public Transit Division's budget will decline dramatically. The Governor's recommended budget contains a modest increase in state general funds. The majority of the budget will be federally funded. Urbanized area and intercity programs will be unfunded.

Federal funds are again available for all programs as a result of the 1982 Surface Transportation Assistance Act (funded by the recent five-cent-a-gallon federal tax increase), but local transit agencies are hard pressed to match those funds.



Mike Corso, Albany Transportation Division Manager and Dala Ronse, Albany Council Member, with Lee LaFontaine, Field Representative from Public Transit. During the 1983-85 biennium the Public Transit Division provided funds to 45 small city and rural transit systems.

Summary of Revenue and Expenditures Public Transit Division (\$1,000's*)

	1981-83 Actual	Biennium 1983-85 Estimated	1985-87 Recommended
Beginning Balance	18,997 ^a	15,440 ^a	0
Revenue			
Public Transit	4,172 ^b	1,616 ^b	0
General Funds	2,887 ^c	828	889
Federal Funds	2,525	3,082	3,388
Local Funds	99	413	451
Available for Expenditure	28,680	21,380	4,728
Expenditures			
Field & Central Serv.	744	761	806
Urbanized Areas ^d	9,328	17,057	0
Intercity	370	0	0
Small City/Rural	2,237	2,845	3,020
Rideshare		91	88
Elderly & Handicapped	561	626	749
Total Expenditures	13,240	21,380	4,663
Ending Balance	15,440	0	66

* Totals may not add due to independent rounding.

a Banfield Transitway Account.

b Interest on Banfield Account.

c Net of reversion.

d Banfield project.



**OREGON DEPARTMENT OF
TRANSPORTATION**

135 Transportation Bldg.
Salem, OR 97310
378-6570

**AERONAUTICS
DIVISION**

3040 25th Street, SE
Salem, OR 97310
378-4880

**HIGHWAY
DIVISION**

Transportation Bldg.
Salem, OR 97310
378-6546

**MOTOR VEHICLES
DIVISION**

1905 Lana Avenue, NE
Salem, OR 97310
371-2200

**PARKS AND RECREATION
DIVISION**

Vick Bldg.
525 Trade Street, SE
Salem, OR 97310
378-6305

**PUBLIC TRANSIT
DIVISION**

129 Transportation Bldg.
Salem, OR 97310
378-8201

"Serving Oregon on the Move" is part of the Statewide Transportation Plan. The plan has been developed by the department in response to Senate Bill 645, passed by the 1983 Legislature, requiring the Transportation Commission to "develop and maintain a state transportation policy and a comprehensive, long-range plan for a multimodal transportation system for the state which encompasses economic efficiency, orderly economic development, and environmental quality." Other documents of the Statewide Transportation Plan include:

Volume 1: Overview

Volume 2: Intercity Transportation in Oregon

Volume 3: Transportation Commission Policies and Department Planning Process.

